

OPTIONAL TARIFF FOR SUPPLEMENTARY, STANDBY AND MAINTENANCE
POWER SALES TO QUALIFYING FACILITIES EXCEEDING 100 KW

Effective Date: MAY 15, 1989

I. Availability.

Available to all qualifying facilities (QF) exceeding 100 kilowatts (KW) within the Cooperative's certificated service territory where such facilities are of an adequate capacity and are adjacent to the point of delivery.

II. Applicability.

Applicable to cogenerators and small power producers with generating facilities exceeding 100 KW that qualify under the Public Regulatory Policies Act of 1978 (PURPA) as QF's.

A. Definition of Supplementary Power

Supplementary power is the KW capacity and related kWh energy purchased by the QF in excess of the production capability of the QF's generating equipment.

B. Rates

The rates charged for supplementary power shall be the current retail rate schedule of the Cooperative which is applicable to the QF's class of service or any new retail rate agreed to by the parties. The current applicable rate schedule is attached.

C. Determination of Supplementary Energy

Supplementary energy shall be equal to the kWh metered to the QF, less any kWh billed as standby or maintenance energy.

D. Determination of Supplementary Demand

Supplementary demand shall be the greater of:

1. The metered demand, measured in accordance with the Cooperatives retail rate schedule, less any standby and maintenance demand;

2. Or, the minimum billing demand specified in the QF's contract.

APPROVED FOR FILING
IN COMPLIANCE WITH
DECISION #: 56271

IV. Standby and Maintenance Power.

A. Definition of Standby and Maintenance Power

Standby and maintenance power is the KW capacity and related kWh energy purchased by the QF attributable to forced or scheduled outages by the QF, respectively.

B. Rates

The reservation or demand charge for standby and maintenance power shall be \$3.56 per KW of billing demand power month. The rate applicable to standby and maintenance energy shall be 32.617 mills per kWh at the Point of Delivery. This includes an adder of 15%.

C. Determination of Standby Energy

Standby energy is defined to be electric energy supplied by the Cooperative to replace power ordinarily generated by the customer's generation facility during unscheduled full and partial outages of said facility.

Standby energy is equal to the difference between the maximum energy output of the customer's generator(s) and the energy measured on the customer's generator meter(s) for the billing period, except those periods where energy supplied by the Cooperative is zero.

D. Determination of Maintenance Energy

Maintenance energy is defined as energy supplied to the customer to a maximum of the Contract Standby Capacity times the hours in the Scheduled maintenance period. Maintenance periods shall not exceed 30 days and must be scheduled during off peak months. Customer shall supply the Cooperative with a Maintenance Schedule for a 12-month period at least 60 days prior to the beginning of that period, which is subject to the Cooperative's approval. Energy used in excess of a 30-day period of unauthorized maintenance energy shall be billed on the Supplemental rate specified in this Schedule.

APPROVED FOR FILING
IN COMPLIANCE WITH
DECISION #: 56271

E. Adjustments to Standby and Maintenance Energy Rates

During the last week of each calendar month Plains Electric Generation and Transmission Cooperative, Inc. (Plains) or this cooperative shall notify the QF through its designated representatives of the firm energy rate applicable to standby and maintenance energy based upon incremental costs to the delivery point of the QF for the subsequent calendar month. Such rate shall replace the energy rate set forth in paragraph IV.(B.) above.

F. Standby and Maintenance Power Limitations

The forced outage factor will be adjusted annually based on the actual performance of the qualifying facility. The actual forced outage rate will be applied to the preceding twelve months as well as serve as the estimated forced outage factor for the current year.

F. Basic Service Charge.

The monthly basic service charge shall be the service charge contained in the Cooperative's retail rate schedule applicable to supplementary power sales.

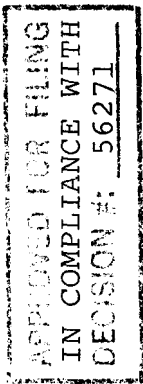
VI. Conditions of Service.

Service to QF's under this rate schedule are subject to the negotiated terms and conditions set forth in a trilateral contract between the QF, Plains, and this Cooperative.

Scheduled outages for maintenance by the QF shall be submitted each December to Plains for the next coming year for its approval. Scheduled outages will not be permitted during the months of May through September.

VII. Interconnection Charges.

The QF shall pay all costs associated with any and all additions, modifications, or alterations to Plains' or this distribution Cooperative's electric system necessitated or incurred in the establishment and operation of the interconnection contemplated by the QF, including but not limited



to any and all modifications required for the meeting of power and energy or for the efficient, safe and reliable operation of **the QF's** facilities with Plains' electric system and the Cooperative's electric system.

VII. Facility Charge on Dedicated Facilities.

The QF shall be required to pay to the Cooperative a monthly facilities charge to recover all related costs of any dedicated facilities previously constructed to serve the QF on a firm power and energy basis.

IX. Other Billing Adjustments.

A. The foregoing rates are subject to the imposition of any wholesale power adjustment and other changes in rates which may be established and approved for billing by the Arizona Corporation from time to time.

B. Total monthly sales to a QF for supplementary, standby and maintenance power are subject to adjustment for all federal, state and local governmental taxes or levies on such sales and any other assessments that may be imposed by state or federal regulatory agencies on utility gross revenues.

